

Message Text

CONFIDENTIAL

PAGE 01 STATE 130002

44

ORIGIN IO-02

INFO OCT-01 SCI-02 ISO-00 /005 R

66650

DRAFTED BY: IO/SCT - MR. THOMPSON

APPROVED BY: IO -D.. CARDWELL

SCI/AE - MR. BREWSTER

----- 081334

P 191545Z JUN 74

FM SECSTATE WASHDC

TO USMISSION IAEA VIENNA PRIORITY

C O N F I D E N T I A L STATE 130002

FOLLOWING REPEAT STATE 130002 ACTION SECSTATE DATE JUN 19 1974.
QUOTE

C O N F I D E N T I A L STATE 130002

TOSEC 341

E.O.:11652 GDS

TAGS: OVIP, KISSINGER, HENRY A.

SUBJ: SHIPMENTS OF NUCLEAR FUEL TO INDIA

FROM SISCO

1. IN LIGHT OF CONTINUING CONGRESSIONAL AND PUBLIC CONCERN WITH NUCLEAR AGREEMENTS IN THE MIDEAST, I BELIEVE YOU SHOULD REVIEW THE PRESENT SITUATION RELATING TO PENDING SHIPMENT OF SLIGHTLY ENRICHED URANIUM TO FUEL TARAPUR REACTORS IN INDIA.

2. THE FACTS ARE THESE: TWO TARAPUR POWER REACTORS OF 200 MEGAWATTS EACH BUILT WITH US ASSISTANCE PURSUANT TO THE L963 US/INDIAN AGREEMENT FOR COOPERATION. 30 YEAR CONTRACT FOR PROVISION OF FUEL ORIGINALLY MADE IN 1966 WAS AMENDED IN 197L TO REFLECT CHANGE IN AEC POLICY UNDER WHICH TITLE TO FUEL PASSES TO PURCHASER FOB OAK RIDGE. BY LETTER OF
CONFIDENTIAL

CONFIDENTIAL

PAGE 02 STATE 130002

NOVEMBER 1973, INDIAN AEC REQUESTED US AEC TO PROVIDE

FIVE ADDITIONAL SHIPMENTS OF SLIGHTLY ENRICHED URANIUM BETWEEN PERIOD OF JUNE 1974 AND APRIL 1975 FOR TARAPUR. USAEC MADE AFFIRMATIVE RESPONSE DECEMBER 5, 1973 AND AN EXPORT LICENSE COVERING THESE 5 SHIPMENTS WAS ISSUED BY AEC MAY 16, 1974.

FIRST SHIPMENT OF 6150 KILOGRAMS URANIUM OUT OF TOTAL OF 5 SHIPMENTS 24510 KILOGRAMS WAS DELIVERED AT OAK RIDGE ON FRIDAY, JUNE 14 TO PRIVATE SHIPPING AGENT AND IS ON

ROUTE TO NEW YORK CITY, PRESUMABLY DUE TO ARRIVE MOMENTARILY. IT IS SCHEDULED TO DEPART NEW YORK CITY ON INDIAN FLAG VESSEL TOMORROW, JUNE 19. SECOND OF FIVE-PART SHIPMENT SCHEDULED TO BE MADE IN OCTOBER. PRIVATE SHIPPING AGENT HAS AGREED TO AEC REQUEST TO HOLD UP LOADING OF THE ENRICHED URANIUM PENDING FURTHER WORD FROM THE AEC. AGENT HAS STATED HE WILL HAVE TO ADVISE INDIANS OF REASON FOR DELAY IF SHIPMENT CANNOT BE LOADED ON SCHEDULE.

3. THE EXISTING AGREEMENT PROVIDING IAEA SAFEGUARDS ON TARAPUR REACTORS IS WORKING WELL WITH REGARD TO PHYSICAL INSPECTIONS AND OTHER SPECIFIED CONTROLS. IT CONTAINS USUAL PEACEFUL USES COMMITMENT WHICH USG INTERPRETS AS PROHIBITING USE FOR PNES. GOT HAS NOT RPT NOT ACCEPTED THAT. ON THE BASIS OF CONTINUING PHYSICAL INSPECTIONS, OF WHICH MOST RECENT WAS CONDUCTED IN MARCH 1974, WE ARE FULLY CONFIDENT THAT INDIA HAS NOT DIVERTED ANY SAFEGUARDED MATERIAL FOR ANY PURPOSE. IF THERE SHOULD EVER BE A VIOLATION WE WOULD FIND OUT ONLY AFTER THE FACT AND IT IS IN THAT CONTEXT THAT WE SHOULD HAVE EXPLICIT GUARANTEE FROM INDIA THAT IT WILL NOT USE ANYTHING FROM TARAPUR FOR PEACEFUL EXPLOSION AS WELL AS FOR WEAPONS DEVELOPMENT. THIS ISSUE WAS RAISED FOR YOUR CONSIDERATION IN NSSM PREPARED AT YOUR REQUEST FOLLOWING INDIAN NUCLEAR TEST LAST MONTH.

4. WHILE WE HAVE FELT THAT EXISTING SAFEGUARDS SYSTEM ON TARAPUR HAS MET OUR ESSENTIAL REQUIREMENTS UNTIL NOW, CONFIDENTIAL

CONFIDENTIAL

PAGE 03 STATE 130002

THE FACT OF THE INDIAN NUCLEAR TEST AND THE INCREASING ATTENTION BEING GIVEN TO OUR OVERALL NUCLEAR COOPERATION WITH FOREIGN COUNTRIES NECESSITATE A REVIEW OF WHERE WE STAND.

5. INTER-AGENCY GROUP HAS EXAMINED ALTERNATIVE COURSES OF ACTION FOCUSING ATTENTION ON THE FOLLOWING OPTIONS:

(A) SUSPEND LICENSE AND REQUIRE INDIA TO CONFIRM OUR LONG-STANDING STATED POLICY THAT OUR AGREEMENTS FOR COOPERATION PROHIBIT USE OF AMERICAN MATERIALS OR EQUIPMENT OR PRODUCTS THEREOF IN ANY NUCLEAR EXPLOSIVE DEVICE. THIS POLICY WAS MOST RECENTLY REAFFIRMED BY AMBASSADOR TAPE AT IAEA BOARD OF GOVERNORS LAST WEEK. IN US AIDE MEMOIRE PRESENTED TO INDIAN AEC ON NOVEMBER 16, 1970, ESSENTIALLY SIMILAR POLICY WAS DESCRIBED.

(B) PERMIT THE SHIPMENT OF ENRICHED URANIUM NOW ARRIVING IN NEW YORK TO GO FORWARD BUT REAFFIRM TO INDIA THAT U.S. POLICY OF NON-USE OF AMERICAN MATERIALS FOR PNE PURPOSES APPLIES TO THIS SHIPMENT AND ADVISE INDIA THAT SUBSEQUENT FOUR SHIPMENTS DEPEND UPON INDIAN CONFIRMATION OF THEIR ACCEPTANCE OF US POLICY.

6. REVERSING PRESENT PLANS TO MAKE FIVE-PART SHIPMENT WOULD REQUIRE AEC TO SUSPEND OR REVOKE EXPORT LICENSE GRANTED MAY 16. SUCH ACTION WOULD QUICKLY BECOME PUBLIC AND WOULD BE PERCEIVED AS REFLECTING MAJOR POLITICAL DECISION. WITH RESPECT TO THE INITIAL SHIPMENT, IT WOULD REQUIRE SUSPENSION OF AEC LICENSE PRESUMABLY WITHIN 24 HOURS. THIS WOULD BE NECESSARY IN ORDER TO RELIEVE SHIPPER OF FINANCIAL LIABILITY TO MAKE DELIVERY UNDER HIS CONTRACT WITH INDIAN AUTHORITIES. IT IS NOT CLEAR THAT US GOVERNMENT CAN COMPLETE STEPS NECESSARY TO HOLD UP INITIAL SHIPMENT IN THE TIME-FRAME DESCRIBED ABOVE.

7. PERFORMANCE OF TARAPUR REACTORS, AN IMPORTANT SOURCE OF POWER IN BOMBAY AREA, WOULD BE SERIOUSLY DEGRADED UNLESS ALL FIVE SHIPMENTS ARE MADE. WE HAVE NO REASON TO BELIEVE THAT INDIAN BEHAVIOR AS IT RELATES TO THESE

CONFIDENTIAL

CONFIDENTIAL

PAGE 04 STATE 130002

REACTORS IS NOT IN ACCORD WITH US POLICY OR THAT THEY WOULD NOT PROVIDE CONFIRMATION OF US POLICY. FOR ALL PRACTICAL PURPOSES THEN, I BELIEVE THAT THE SECOND APPROACH WOULD PUT US IN GOOD POSITION TO DEAL WITH POSSIBLE CONGRESSIONAL OR PUBLIC CONCERN WITH CONTINUATION OF NUCLEAR FUEL SHIPMENTS TO INDIA FOR TARAPUR AND WOULD PROVIDE REASONABLE TIME, I.E., SEVERAL MONTHS, TO RESOLVE PROBLEM IN ORDERLY FASHION.

8. I WILL REVIEW WITH HOLTON AND AEC WHAT TOUCHING OF BASES WITH CONGRESS WE SHOULD DO ON THIS MATTER AND HAVE A GAME PLAN FOR YOU ON THURSDAY WHEN YOU RETURN.

9. I RECOMMEND, AND AEC CONCURS, THAT YOU APPROVE THE APPROACH DESCRIBED IN OPTION (B). THIS TAKES INTO

ACCOUNT PRESENT SENSITIVITY ON THE HILL AND IN THE PRESS
TO THE INDIAN EXPLOSION AND OUR MIDDLE EAST AGREEMENTS.
IT ALSO ENABLES US TO CLARIFY DEFINITELY WITH INDIA
AND OTHER RECIPIENTS OF US NUCLEAR FUEL THAT THE
PRODUCTS OF REACTOR OPERATION ARE NOT TO BE USED IN
NUCLEAR EXPLOSIVE DEVICES.

10. TEXT OF NOTE TO BE GIVEN TO INDIA UNDER OPTION
(B) FOLLOWS SEPTTEL.

11. IN ORDER TAKE TIMELY ACTION WITH SHIPPER, MUST HAVE
YOUR RESPONSE BY TOMORROW MORNING. BROWN UNQUOTED SISCO

CONFIDENTIAL

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: KISSINGER, HENRY A
Control Number: n/a
Copy: SINGLE
Draft Date: 19 JUN 1974
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: golinofr
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1974STATE130002
Document Source: CORE
Document Unique ID: 00
Drafter: MR. THOMPSON
Enclosure: n/a
Executive Order: RR
Errors: N/A
Film Number: n/a
From: SECSTATE WASHDC
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1974/newtext/t19740630/aaaaazjh.tel
Line Count: 181
Locator: TEXT ON-LINE
Office: ORIGIN IO
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 4
Previous Channel Indicators:
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
Reference: n/a
Review Action: RELEASED, APPROVED
Review Authority: golinofr
Review Comment: n/a
Review Content Flags:
Review Date: 19 MAR 2002
Review Event:
Review Exemptions: n/a
Review History: RELEASED <19 MAR 2002 by kelleyw0>; APPROVED <09 MAY 2002 by golinofr>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: SHIPMENTS OF NUCLEAR FUEL TO INDIA FROM SISCO
TAGS: OVIP
To: IAEA VIENNA
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005